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NEWS RELEASE

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Pacific Lending Group Accused of Loan Investment Scheme

Seven investors lost \$167,500 causing hotel, real estate, and nursing homes venture to fail . . .

SALT LAKE CITY, Utah – Two companies, Pacific Lending, LLC, Pacific Lending Group, Inc., and Pacific Aaron Guzman, their president, were accused of violating the securities laws by taking money from investors based on promises he would use their money to obtain loans for their business ventures. The Division of Securities issued an order to show cause alleging that Guzman and his companies engaged in securities fraud, sold unregistered securities, and sold securities when they were not licensed.

The Division of Securities alleges that Pacific Lending Group claimed to be a large investment bank that provided capital and financial services for businesses needing commercial lending. Guzman collected \$167,500 in fees from seven investors, saying he would use those fees to obtain funding for their commercial ventures. Investors were told this advance fee would cover Pacific Lending's expense to conduct due diligence to secure funding for their loans.

Investors had been seeking funding for projects such as residential developments, producing a movie, building a hotel in Hawaii, a commercial project in Mexico, and a residential care facility in Oregon. Most of these projects failed when Guzman and Pacific Lending failed to provide the funding they had promised.

According to the order to show cause, Guzman did not tell investors that he had two prior criminal convictions in Nevada and California in 1992 and 1998 and that he had filed for bankruptcy on three prior occasions. None of the investors secured loans and none received a return of the investment. Guzman is alleged to have used the money for personal expenses including buying furniture, restaurant purchases, mortgage payments, child care expenses, paying dental bills, and buying airline tickets and jewelry.

The Division alleges that Guzman lied to investors when he promised to secure commercial loans but made no efforts to obtain loans, said the advance fee was to cover the expenses of due diligence when he used the funds for personal expenses, and claimed Pacific Lending was a commercial lender. He did not tell investors about his prior criminal convictions and bankruptcies.

The order to show cause seeks to have an administrative law judge order Guzman and his companies to cease and desist violating the law and pay fines of \$250,000 each. A hearing will be held on March 18, 2008 to determine whether they dispute the Division's allegations.